

This letter responds to a survey regarding the Hotel Operators' Occupation Tax Act. See 86 Ill. Adm. Code 480.101. (This is a GIL.)

September 27, 2004

Dear Xxxxx:

This letter is in response to your letter dated March 18, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I would like to thank you again for all your help this past year with ABC issues. It would be appreciated if you could again help us get the matter discussed below to the right individuals for review.

Last year our company sent the Illinois Department of Revenue a request to answer a questionnaire concerning taxes that it administers. The questions are specific to the hotel and hospitality industry. A copy of the letter and the questionnaire are attached. The Department apparently had some reservations about completing the questionnaire, but did send a letter that generally discussed the different areas of taxation. We have taken the information from the letter and from other sources that are available to us to answer the questions in the questionnaire format. We would like confirmation that our answers correct. Could you please help us get that accomplished?

Attached is a listing of the questions, an index of documents, and the copy of documents used to support the answers. As you are aware, our company is striving to meet compliance requirements. Your help in verifying the information would be much appreciated. Please contact me if you have any questions.

DEPARTMENT'S RESPONSE:

The Department strives to assist taxpayers in making determinations of proper tax accountability. However, the Department is limited in its resources allocated to new regulations and specific tax compliance issues. We are unable to complete your survey at this time. Our position regarding the various tax obligations of hotel operators remains as stated in the July 8, 2003 general information letter response to you.

As you are aware, the Hotel Operators' Occupation Tax Act may be found at 86 Ill. Adm. Code 480.101 et seq. We are unable to issue a private letter ruling in regards to a survey. General information letters are intended to direct the taxpayer to the appropriate source of information for a determination of tax liability. It appears you have correctly located the information which should aid you in making a determination of your tax obligations.

Please note, the Department is unable to respond to hypothetical requests. Should you wish to obtain a private letter ruling in regards to a specific transaction, please submit the documentation required in 2 Ill. Adm. Code 1200.120, along with the specific factual information to enable the Department to make a determination regarding that specific transaction.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk